

**INTERNAL SERVICE FUNDS  
DECEMBER 31, 2001**

Internal Service Funds are established to account for certain activities that support other County operations. The twelve King County Internal Service Funds use the accrual basis of accounting. A description of each fund follows:

Construction and Facilities Management Fund (#000005510) – Accounts for custodial services, building maintenance, and CIP project management. The fund earns revenue by charging tenants of County buildings for facilities maintenance, renovation, and architectural services.

Employee Benefits Program Fund (#000005500) – Accounts for the activities of employee medical, dental, life insurance, and long-term disability benefit programs and will account for future modifications to existing benefits or additions of new employee benefits.

Financial Management Services Fund(#000005450) – The fund consists of six sub-funds that account for financial services, including accounting, treasury, contracts, and procurement services provided to King County and other contracting agencies.

Office of Information Resource Management Operating Fund (#000005470) – Accounts for the activities relating to the operations of the Office of Information Resource Management Division, including county-wide information technology strategic planning and project management oversight.

Information and Telecommunications Services Fund(#000005530) – The fund consists of two sub-funds that account for data processing (# 553-1) and telecommunication (# 553-2) services provided to King County and other contracting agencies. The Data Processing Services sub-fund is responsible for operating, maintaining and enhancing the automated processing systems for King County and other contracting agencies. In addition, Data Processing provides staff support to the Information Resource Council (IRC) as it reviews proposed technology projects and develops technology policies for the County. The Telecommunications Services sub-fund is responsible for managing telecommunications resources for all County agencies. This includes the development of long-range plans, billing and inventory maintenance for select systems, management of calling card and long distance service, and providing consulting services on a time available basis to all County telephone users.

Insurance Fund (#000005520) – Accounts for the activities of the Risk Management Section, which includes performing risk analysis, evaluating alternatives and purchasing insurance, adjusting claims, and recommending policies and practices to reduce potential liabilities and ensure the adequacy of insurance coverage for King County departments.

Motor Pool Equipment Rental Fund (#000005580) – Accounts for the purchase and maintenance of a fleet of vehicles for use by County agencies.

Printing/Graphic Arts Services Fund (#000005600) – Accounts for printing, graphic arts, and duplicating services.

Public Works Equipment Rental Fund (#000005570) – Accounts for the purchase and maintenance of equipment and materials primarily used by the Roads Division for road maintenance and repair.

Safety and Workers' Compensation Fund (#000005420) – Accounts for the administration of an employee safety and training program designed to provide a safe and healthful workplace, as required by the Washington Industrial Safety and Health Act of 1973, and accounts for King County's self-insured worker compensation system as certified under the *Revised Code of Washington*, Industrial Insurance Act, Title 51.

**INTERNAL SERVICE FUNDS  
DECEMBER 31, 2001**

Transit Nonrevenue Vehicle (NRV) Equipment Rental Fund (#000005430) – Accounts for the purchase and maintenance of a fleet of non-revenue vehicles for use by Transit.

Wastewater Equipment Rental Fund (#000005440) – Accounts for the purchase and maintenance of a fleet of equipment and vehicles for use by Wastewater Treatment Division and Water and Land Resources.

Internal Service Funds are intended to be financially self-supporting; that is, they collect revenues according to rate schedules designed to cover the costs of the goods and services that they provide.

**This page intentionally left blank**

INTERNAL SERVICE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2001  
(PAGE 1 OF 2)

	TOTAL	CONSTRUCTION & FACILITIES MANAGEMENT	EMPLOYEE BENEFITS PROGRAM	FINANCIAL MANAGEMENT SERVICES	INFORMATION RESOURCES MANAGEMENT
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 137,105,725	\$ 4,729,139	\$ 11,098,186	\$ 3,865,591	\$ 630,182
Investments	111,371	-	-	-	-
Accounts receivable	1,587,851	38,004	433,731	-	-
Estimated uncollectible accounts receivable	(14,717)	(1,251)	-	-	-
Interest receivable	305	-	-	-	-
Due from other funds	4,859,819	604,139	1,200,051	688,116	-
Due from other governments	496,827	1,754	-	35,203	-
Estimated uncollectible due from other governments	(13,551)	-	-	-	-
Inventory of supplies	1,655,475	240,635	-	-	-
Prepayments	2,225,780	-	122,000	-	-
<b>Total current assets</b>	<b>148,014,885</b>	<b>5,612,420</b>	<b>12,853,968</b>	<b>4,588,910</b>	<b>630,182</b>
<b>Fixed assets</b>					
Improvements other than buildings	1,189,149	525,000	-	615,855	-
Accumulated depreciation	(206,532)	(61,500)	-	(112,899)	-
Rental equipment	72,411,921	-	-	-	-
Accumulated depreciation	(47,223,951)	-	-	-	-
Furniture, machinery and equipment	9,360,268	2,348,451	247,545	2,899,024	31,580
Accumulated depreciation	(6,647,101)	(1,577,327)	(220,822)	(1,957,724)	(7,692)
Data processing equipment	11,887,681	-	-	-	-
Accumulated depreciation	(7,374,464)	-	-	-	-
Telecommunication equipment	1,509,010	-	-	-	-
Accumulated depreciation	(1,139,910)	-	-	-	-
Work in progress	2,025,963	232,418	-	-	-
<b>Total fixed assets</b>	<b>35,792,034</b>	<b>1,467,042</b>	<b>26,723</b>	<b>1,444,256</b>	<b>23,888</b>
<b>TOTAL ASSETS</b>	<b>\$ 183,806,919</b>	<b>\$ 7,079,462</b>	<b>\$ 12,880,691</b>	<b>\$ 6,033,166</b>	<b>\$ 654,070</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 10,105,525	\$ 875,359	\$ 4,853,094	\$ 543,374	\$ -
Retainage payable	25,550	-	25,550	-	-
Estimated claims settlements	64,452,222	-	10,761,993	-	-
Due to other funds	2,663,882	16,089	-	464,184	122,824
Interest payable	149,658	17,908	-	-	-
Wages payable	2,501,618	644,631	135,710	675,510	35,818
Taxes payable	15,398	13,884	-	215	-
Deferred revenues	539,587	-	539,587	-	-
Obligations under reverse repurchase agreements	1,731,300	-	-	-	-
General obligation bonds payable	1,115,000	130,000	-	-	-
Capital leases payable	122,564	-	-	-	-
Assessments payable	14,895	14,895	-	-	-
Other liabilities	26,961	-	-	-	-
<b>Total current liabilities</b>	<b>83,464,160</b>	<b>1,712,766</b>	<b>16,315,934</b>	<b>1,683,283</b>	<b>158,642</b>
<b>Long-term liabilities</b>					
General obligation bonds payable	5,510,000	1,340,000	-	-	-
Compensated absences payable	7,161,267	2,006,424	269,972	1,868,561	109,814
Assessments payable	134,061	134,061	-	-	-
Estimated claims settlements	5,000,000	-	-	-	-
<b>Total long-term liabilities</b>	<b>17,805,328</b>	<b>3,480,485</b>	<b>269,972</b>	<b>1,868,561</b>	<b>109,814</b>
<b>Total liabilities</b>	<b>101,269,488</b>	<b>5,193,251</b>	<b>16,585,906</b>	<b>3,551,844</b>	<b>268,456</b>
<b>Fund equity <sup>(a)</sup></b>					
Contributions	25,604,509	776,100	360,157	365,877	-
Retained earnings - unreserved (deficit)	56,932,922	1,110,111	(4,065,372)	2,115,445	385,614
<b>Total fund equity</b>	<b>82,537,431</b>	<b>1,886,211</b>	<b>(3,705,215)</b>	<b>2,481,322</b>	<b>385,614</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 183,806,919</b>	<b>\$ 7,079,462</b>	<b>\$ 12,880,691</b>	<b>\$ 6,033,166</b>	<b>\$ 654,070</b>

(a) See Note 12, "Reserves, Designations, and Changes in Equity," for a discussion of management plans regarding the use of unreserved retained earnings.

**KING COUNTY, WASHINGTON**

INTERNAL SERVICE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2001  
(PAGE 2 OF 2)

INFORMATION & TELECOMMUNICATIONS SERVICES	INSURANCE	MOTOR POOL EQUIPMENT RENTAL	PRINTING/ GRAPHIC ARTS SERVICES	PUBLIC WORKS EQUIPMENT RENTAL	SAFETY & WORKERS' COMPENSATION	TRANSIT NRV EQUIPMENT RENTAL	WASTEWATER EQUIPMENT RENTAL
\$ 6,395,774	\$ 72,408,703	\$ 10,220,075	\$ 843,293	\$ 9,547,154	\$ 8,766,498	\$ 5,543,206	\$ 3,057,924
-	-	-	-	-	111,371	-	-
173,798	669,632	-	-	-	272,686	-	-
(13,466)	-	-	-	-	-	-	-
-	-	-	-	-	305	-	-
737,145	448,708	87,150	153,907	546,337	372,316	21,950	-
131,928	-	3,238	-	6,351	317,800	-	553
(13,551)	-	-	-	-	-	-	-
-	-	57,420	-	1,246,479	-	110,095	846
27,775	2,076,005	-	-	-	-	-	-
<u>7,439,403</u>	<u>75,603,048</u>	<u>10,367,883</u>	<u>997,200</u>	<u>11,346,321</u>	<u>9,840,976</u>	<u>5,675,251</u>	<u>3,059,323</u>
-	-	38,721	-	9,573	-	-	-
-	-	(22,560)	-	(9,573)	-	-	-
-	-	27,915,869	-	23,444,824	-	12,334,593	8,716,635
-	-	(17,051,113)	-	(13,234,684)	-	(9,602,564)	(7,335,590)
586,601	125,209	627,491	674,965	1,325,658	176,318	17,615	299,811
(416,747)	(109,528)	(538,928)	(489,428)	(1,095,637)	(122,164)	(17,615)	(93,489)
11,887,681	-	-	-	-	-	-	-
(7,374,464)	-	-	-	-	-	-	-
1,509,010	-	-	-	-	-	-	-
(1,139,910)	-	-	-	-	-	-	-
1,793,545	-	-	-	-	-	-	-
<u>6,845,716</u>	<u>15,681</u>	<u>10,969,480</u>	<u>185,537</u>	<u>10,440,161</u>	<u>54,154</u>	<u>2,732,029</u>	<u>1,587,367</u>
<u>\$ 14,285,119</u>	<u>\$ 75,618,729</u>	<u>\$ 21,337,363</u>	<u>\$ 1,182,737</u>	<u>\$ 21,786,482</u>	<u>\$ 9,895,130</u>	<u>\$ 8,407,280</u>	<u>\$ 4,646,690</u>
\$ 1,083,294	\$ 686,179	\$ 214,657	\$ 167,702	\$ 575,028	\$ 973,866	\$ 24,334	\$ 108,638
-	-	-	-	-	-	-	-
-	46,190,229	-	-	-	7,500,000	-	-
104,722	168	1,557,298	2,115	20,737	219,780	71,412	84,553
131,750	-	-	-	-	-	-	-
545,382	31,890	47,970	151,094	122,997	80,571	30,045	-
1,299	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,541,207	-	-	-	190,093	-	-
985,000	-	-	-	-	-	-	-
122,564	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
26,961	-	-	-	-	-	-	-
<u>3,000,972</u>	<u>48,449,673</u>	<u>1,819,925</u>	<u>320,911</u>	<u>718,762</u>	<u>8,964,310</u>	<u>125,791</u>	<u>193,191</u>
4,170,000	-	-	-	-	-	-	-
1,789,189	101,420	116,901	188,929	506,297	128,041	75,719	-
-	-	-	-	-	-	-	-
-	-	-	-	-	5,000,000	-	-
<u>5,959,189</u>	<u>101,420</u>	<u>116,901</u>	<u>188,929</u>	<u>506,297</u>	<u>5,128,041</u>	<u>75,719</u>	<u>-0-</u>
<u>8,960,161</u>	<u>48,551,093</u>	<u>1,936,826</u>	<u>509,840</u>	<u>1,225,059</u>	<u>14,092,351</u>	<u>201,510</u>	<u>193,191</u>
216,595	2,858	10,188,253	79,862	5,962,115	25,349	4,415,160	3,212,183
5,108,363	27,064,778	9,212,284	593,035	14,599,308	(4,222,570)	3,790,610	1,241,316
<u>5,324,958</u>	<u>27,067,636</u>	<u>19,400,537</u>	<u>672,897</u>	<u>20,561,423</u>	<u>(4,197,221)</u>	<u>8,205,770</u>	<u>4,453,499</u>
<u>\$ 14,285,119</u>	<u>\$ 75,618,729</u>	<u>\$ 21,337,363</u>	<u>\$ 1,182,737</u>	<u>\$ 21,786,482</u>	<u>\$ 9,895,130</u>	<u>\$ 8,407,280</u>	<u>\$ 4,646,690</u>

**KING COUNTY, WASHINGTON**

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(PAGE 1 OF 2)

	TOTAL	CONSTRUCTION & FACILITIES MANAGEMENT	EMPLOYEE BENEFITS PROGRAM	FINANCIAL MANAGEMENT SERVICES	INFORMATION RESOURCES MANAGEMENT
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from users	\$258,186,774	\$ 32,145,099	\$109,580,765	\$ 25,780,450	\$ 681,000
Cash payments to suppliers for goods and services	(182,465,840)	(11,030,958)	(103,022,679)	(11,826,066)	-
Cash payments for employee services	(53,932,199)	(17,967,249)	(2,012,186)	(12,799,800)	(281,190)
Other operating revenues	379,579	34,659	24	34,183	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>22,168,314</u>	<u>3,181,551</u>	<u>4,545,924</u>	<u>1,188,767</u>	<u>399,810</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Interest paid on short-term loans	(74,839)	-	(726)	(2,581)	-
Operating transfers in	1,625,878	-	86,872	320,000	225,000
Operating transfers out	(1,224,493)	-	-	-	-
Prior Year Adjustment	(178,591)	-	-	(178,591)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>147,955</u>	<u>-0-</u>	<u>86,146</u>	<u>138,828</u>	<u>225,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of assets	(5,355,486)	(276,660)	-	(190,170)	-
Principal paid on general obligation bonds	(1,574,254)	(60,296)	(29,029)	-	-
Interest paid on general obligation bonds	(331,452)	(33,490)	-	-	-
Principal paid on equipment contracts	(440,867)	-	-	-	-
Interest paid on equipment contracts	(78,235)	-	-	-	-
Principal paid on assessment	(14,895)	(14,895)	-	-	-
Transfer from other fund for equipment	52,742	-	-	-	-
Proceeds of general obligation bond issue	1,050,000	1,050,000	-	-	-
Proceeds from sales of equipment	527,311	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(6,165,136)</u>	<u>664,659</u>	<u>(29,029)</u>	<u>(190,170)</u>	<u>-0-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Increase in allocation of pooled reverse repurchase agreements	1,731,300	-	-	-	-
Interest on investments	7,281,151	206,446	343,637	563,420	5,372
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>9,012,451</u>	<u>206,446</u>	<u>343,637</u>	<u>563,420</u>	<u>5,372</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	25,163,584	4,052,656	4,946,678	1,700,845	630,182
CASH AND CASH EQUIVALENTS - JANUARY 1, 2001	<u>111,942,141</u>	<u>676,483</u>	<u>6,151,508</u>	<u>2,164,746</u>	<u>-0-</u>
CASH AND CASH EQUIVALENTS - DECEMBER 31, 2001	<u>\$137,105,725</u>	<u>\$ 4,729,139</u>	<u>\$ 11,098,186</u>	<u>\$ 3,865,591</u>	<u>\$ 630,182</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	<u>\$ 13,488,384</u>	<u>\$ 2,285,238</u>	<u>\$ 128,127</u>	<u>\$ 1,814,421</u>	<u>\$ 236,702</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Depreciation	8,519,446	205,603	35,843	365,800	-
Change in assets - (increase) decrease					
Accounts receivable, net	(1,029,077)	(34,743)	(430,678)	-	-
Due from other funds	4,697,013	15,642	4,302,013	835,950	-
Due from other governments, net	(232,687)	(1,754)	-	(34,353)	-
Inventory of supplies	97,075	(7,358)	-	-	-
Prepayments	(317,881)	-	-	-	-
Change in liabilities - increase (decrease):					
Accounts payable	238,056	642,307	303,570	(375,901)	-
Estimated claims settlements	(2,845,065)	-	75,706	-	-
Due to other funds	(1,199,389)	(235,698)	(78)	(1,369,502)	-
Wages payable	491,855	(10,868)	65,429	40,209	158,642
Taxes payable	7,023	6,550	-	210	-
Custodial accounts	(146,280)	-	(146,280)	-	-
Deferred revenues	201,105	-	201,105	-	-
Other liabilities	(85,977)	-	-	-	-
Compensated absences	284,713	316,632	11,167	(88,067)	4,466
TOTAL ADJUSTMENTS	<u>8,679,930</u>	<u>896,313</u>	<u>4,417,797</u>	<u>(625,654)</u>	<u>163,108</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 22,168,314</u>	<u>\$ 3,181,551</u>	<u>\$ 4,545,924</u>	<u>\$ 1,188,767</u>	<u>\$ 399,810</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Acquisition of capital assets by donation	\$ 2,426,016	\$ 2,780	\$ -	\$ -	\$ -

**KING COUNTY, WASHINGTON**

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(PAGE 2 OF 2)

INFORMATION & TELECOMMUNICATIONS SERVICES	INSURANCE	MOTOR POOL EQUIPMENT RENTAL	PRINTING/ GRAPHIC ARTS SERVICES	PUBLIC WORKS EQUIPMENT RENTAL	SAFETY & WORKERS' COMPENSATION	TRANSIT NRV EQUIPMENT RENTAL	WASTEWATER EQUIPMENT RENTAL
\$ 23,821,918	\$ 21,468,886	\$10,473,275	\$ 3,098,148	\$10,780,972	\$15,679,957	\$ 2,886,149	\$ 1,790,155
(10,308,895)	(18,791,259)	(4,557,659)	(1,549,552)	(6,039,477)	(14,468,341)	(619,770)	(251,184)
(11,502,546)	(1,143,423)	(1,340,332)	(1,178,703)	(1,984,296)	(2,867,197)	(708,495)	(146,782)
134,382	2,121	93,780	31	56,485	1,530	16,545	5,839
<u>2,144,859</u>	<u>1,536,325</u>	<u>4,669,064</u>	<u>369,924</u>	<u>2,813,684</u>	<u>(1,654,051)</u>	<u>1,574,429</u>	<u>1,398,028</u>
(71,532)	-	-	-	-	-	-	-
994,006	-	-	-	-	-	-	-
(1,224,493)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(302,019)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
(578,653)	-	(1,460,372)	(92,018)	(1,928,101)	(9,622)	(614,072)	(205,818)
(1,484,929)	-	-	-	-	-	-	-
(297,962)	-	-	-	-	-	-	-
(440,867)	-	-	-	-	-	-	-
(78,235)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	52,742	-	-	-	-	-
-	-	-	-	-	-	-	-
11,391	436	209,400	-	214,926	-	66,285	24,873
<u>(2,869,255)</u>	<u>436</u>	<u>(1,198,230)</u>	<u>(92,018)</u>	<u>(1,713,175)</u>	<u>(9,622)</u>	<u>(547,787)</u>	<u>(180,945)</u>
-	1,541,207	-	-	-	190,093	-	-
-	4,362,749	422,187	25,851	454,557	544,639	238,676	113,617
<u>-0-</u>	<u>5,903,956</u>	<u>422,187</u>	<u>25,851</u>	<u>454,557</u>	<u>734,732</u>	<u>238,676</u>	<u>113,617</u>
(1,026,415)	7,440,717	3,893,021	303,757	1,555,066	(928,941)	1,265,318	1,330,700
7,422,189	64,967,986	6,327,054	539,536	7,992,088	9,695,439	4,277,888	1,727,224
<u>\$ 6,395,774</u>	<u>\$ 72,408,703</u>	<u>\$ 10,220,075</u>	<u>\$ 843,293</u>	<u>\$ 9,547,154</u>	<u>\$ 8,766,498</u>	<u>\$ 5,543,206</u>	<u>\$ 3,057,924</u>
<u>\$ 2,422,927</u>	<u>\$ 6,132,755</u>	<u>\$ 118,760</u>	<u>\$ 156,580</u>	<u>\$ 197,441</u>	<u>\$ (1,434,423)</u>	<u>\$ 650,330</u>	<u>\$ 779,526</u>
1,700,306	23,989	2,744,123	15,128	2,217,829	30,824	734,742	445,259
55,156	(600,437)	-	-	-	(18,375)	-	-
(339,386)	(448,708)	272,148	7,521	74,641	(237,937)	198,894	16,235
(84,663)	-	11,729	-	78,783	(205,800)	-	3,371
-	-	15,196	-	113,283	-	(26,477)	2,431
84,228	(402,109)	-	-	-	-	-	-
(1,094,448)	162,608	52,086	116,684	181,489	166,302	(17,120)	100,479
-	(3,000,771)	-	-	-	80,000	-	-
(651,024)	(267,687)	1,442,243	1,440	(134,239)	(62,777)	27,206	50,727
94,177	(9,265)	12,734	106,110	8,221	18,798	7,668	-
263	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(85,977)	-	-	-	-	-	-	-
43,300	(54,050)	45	(33,539)	76,236	9,337	(814)	-
<u>(278,068)</u>	<u>(4,596,430)</u>	<u>4,550,304</u>	<u>213,344</u>	<u>2,616,243</u>	<u>(219,628)</u>	<u>924,099</u>	<u>618,502</u>
<u>\$ 2,144,859</u>	<u>\$ 1,536,325</u>	<u>\$ 4,669,064</u>	<u>\$ 369,924</u>	<u>\$ 2,813,684</u>	<u>\$ (1,654,051)</u>	<u>\$ 1,574,429</u>	<u>\$ 1,398,028</u>
\$ -	\$ -	\$ 2,081,432	\$ 1,126	\$ 21,912	\$ -	\$ 289,396	\$ 29,370

**KING COUNTY, WASHINGTON**

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(PAGE 1 OF 2)

	TOTAL	CONSTRUCTION & FACILITIES MANAGEMENT	EMPLOYEE BENEFITS PROGRAM	FINANCIAL MANAGEMENT SERVICES	INFORMATION RESOURCES MANAGEMENT
<b>OPERATING REVENUES</b>					
Profit on stores sales					
Sales of stores and material	\$ 5,580,470	\$ -	\$ -	\$ -	\$ -
Cost of goods sold	<u>(4,659,649)</u>	-	-	-	-
Gross profit on stores sales	920,821	-	-	-	-
Data processing services - intracounty	21,628,238	-	-	-	-
Data processing services - other	601,144	-	-	-	-
Telecommunication services	1,890,239	-	-	-	-
Information resources management fees	681,000	-	-	-	681,000
Building operation and maintenance service fees	23,803,620	23,803,620	-	-	-
Architect/engineering/renovation service fees	8,362,334	8,362,334	-	-	-
Benefit program employer contributions	98,846,460	-	98,846,460	-	-
Benefit program employee fees	6,808,145	-	6,808,145	-	-
Financial services	24,978,638	-	-	24,978,638	-
Insurance services	22,518,031	-	-	-	-
Equipment rental fees	19,591,754	-	-	-	-
Garage shop services	102,526	-	-	-	-
Printing and duplication	3,090,627	-	-	-	-
Workers' compensation employer contributions	16,142,069	-	-	-	-
Miscellaneous	<u>379,579</u>	<u>34,659</u>	<u>24</u>	<u>34,183</u>	<u>-</u>
<b>TOTAL OPERATING REVENUES</b>	<u><b>250,345,225</b></u>	<u><b>32,200,613</b></u>	<u><b>105,654,629</b></u>	<u><b>25,012,821</b></u>	<u><b>681,000</b></u>
<b>OPERATING EXPENSES</b>					
Personal services	54,708,767	18,273,013	2,088,782	12,751,942	444,298
Materials and supplies	7,755,946	1,126,658	21,390	189,380	-
Contract services and other charges	146,174,611	7,964,959	102,820,432	3,511,580	-
Lease and maintenance of equipment	2,482,712	275,075	6,571	93,039	-
Internal services	17,215,359	2,070,067	553,484	6,286,659	-
Depreciation	<u>8,519,446</u>	<u>205,603</u>	<u>35,843</u>	<u>365,800</u>	<u>-</u>
<b>TOTAL OPERATING EXPENSES</b>	<u><b>236,856,841</b></u>	<u><b>29,915,375</b></u>	<u><b>105,526,502</b></u>	<u><b>23,198,400</b></u>	<u><b>444,298</b></u>
<b>OPERATING INCOME (LOSS)</b>	<u><b>13,488,384</b></u>	<u><b>2,285,238</b></u>	<u><b>128,127</b></u>	<u><b>1,814,421</b></u>	<u><b>236,702</b></u>
<b>NONOPERATING REVENUES</b>					
Interest	7,281,456	206,446	343,637	563,420	5,372
Capital Contributions	2,344,555	2,780	-	-	(81,460)
Gain (loss) on disposal of fixed assets	<u>(716,582)</u>	<u>(2,648)</u>	<u>(145)</u>	<u>(381,429)</u>	<u>-</u>
<b>TOTAL NONOPERATING REVENUES</b>	<u><b>8,909,429</b></u>	<u><b>206,578</b></u>	<u><b>343,492</b></u>	<u><b>181,991</b></u>	<u><b>(76,088)</b></u>
<b>NONOPERATING EXPENSES</b>					
Interest	<u>474,169</u>	<u>38,427</u>	<u>-</u>	<u>2,581</u>	<u>-</u>
<b>TOTAL NONOPERATING EXPENSES</b>	<u><b>474,169</b></u>	<u><b>38,427</b></u>	<u><b>-0-</b></u>	<u><b>2,581</b></u>	<u><b>-0-</b></u>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>21,923,644</b>	<b>2,453,389</b>	<b>471,619</b>	<b>1,993,831</b>	<b>160,614</b>
OPERATING TRANSFERS IN	1,625,878	-	86,872	320,000	225,000
OPERATING TRANSFERS OUT	<u>(1,224,493)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INCOME (LOSS)</b>	<b>22,325,029</b>	<b>2,453,389</b>	<b>558,491</b>	<b>2,313,831</b>	<b>385,614</b>
<b>FUND EQUITY</b>					
Retained earnings (deficit) - January 1, 2001 RESTATED	34,607,893 <sup>(a)</sup>	(1,343,278)	(4,623,863)	(198,386) <sup>(a)</sup>	-0-
Retained earnings (deficit) - December 31, 2001	<u>56,932,922</u>	<u>1,110,111</u>	<u>(4,065,372)</u>	<u>2,115,445</u>	<u>385,614</u>
Contributions - December 31, 2001	<u>25,604,509</u>	<u>776,100</u>	<u>360,157</u>	<u>365,877</u>	<u>-0-</u>
<b>FUND EQUITY - DECEMBER 31, 2001</b>	<u><b>\$ 82,537,431</b></u>	<u><b>\$ 1,886,211</b></u>	<u><b>\$ (3,705,215)</b></u>	<u><b>\$ 2,481,322</b></u>	<u><b>\$ 385,614</b></u>

(a) See Note 12, "Reserves, Designations, and Changes in Equity" - Restatement of Beginning Balances.



**KING COUNTY, WASHINGTON**

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(PAGE 2 OF 2)

INFORMATION & TELECOMMUNICATIONS SERVICES	INSURANCE	MOTOR POOL EQUIPMENT RENTAL	PRINTING/ GRAPHIC ARTS SERVICES	PUBLIC WORKS EQUIPMENT RENTAL	SAFETY & WORKERS' COMPENSATION	TRANSIT NRV EQUIPMENT RENTAL	WASTEWATER EQUIPMENT RENTAL
\$ -	\$ -	\$ 1,455,222	\$ -	\$ 3,731,709	\$ -	\$ 238,855	\$ 154,684
-	-	(1,244,909)	-	(3,082,343)	-	(212,121)	(120,276)
-	-	210,313	-	649,366	-	26,734	34,408
21,628,238	-	-	-	-	-	-	-
601,144	-	-	-	-	-	-	-
1,890,239	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	22,518,031	-	-	-	-	-	-
-	-	8,729,292	-	6,798,197	-	2,448,400	1,615,865
-	-	4,884	-	97,642	-	-	-
-	-	-	3,090,627	-	-	-	-
-	-	-	-	-	16,142,069	-	-
134,382	2,121	93,780	31	56,485	1,530	16,545	5,839
24,254,003	22,520,152	9,038,269	3,090,658	7,601,690	16,143,599	2,491,679	1,656,112
11,640,023	1,080,108	1,353,111	1,251,274	2,068,753	2,895,332	715,349	146,782
1,678,545	12,286	2,161,385	520,777	1,625,682	59,806	200,462	159,575
3,964,940	13,219,005	172,994	472,859	189,932	13,834,502	12,971	10,437
1,164,034	6,930	343,904	367,719	132,037	14,521	55,498	23,384
1,683,228	2,045,079	2,143,992	306,321	1,170,016	743,037	122,327	91,149
1,700,306	23,989	2,744,123	15,128	2,217,829	30,824	734,742	445,259
21,831,076	16,387,397	8,919,509	2,934,078	7,404,249	17,578,022	1,841,349	876,586
2,422,927	6,132,755	118,760	156,580	197,441	(1,434,423)	650,330	779,526
-	4,362,749	422,187	25,851	454,557	544,944	238,676	113,617
-	-	2,081,433	1,126	21,912	-	289,395	29,369
(593,720)	435	(7,332)	-	184,281	(3,127)	62,230	24,873
(593,720)	4,363,184	2,496,288	26,977	660,750	541,817	590,301	167,859
433,161	-	-	-	-	-	-	-
433,161	-0-	-0-	-0-	-0-	-0-	-0-	-0-
1,396,046	10,495,939	2,615,048	183,557	858,191	(892,606)	1,240,631	947,385
994,006	-	-	-	-	-	-	-
(1,224,493)	-	-	-	-	-	-	-
1,165,559	10,495,939	2,615,048	183,557	858,191	(892,606)	1,240,631	947,385
3,942,804	16,568,839	6,597,236	409,478	13,741,117	(3,329,964)	2,549,979	293,931
5,108,363	27,064,778	9,212,284	593,035	14,599,308	(4,222,570)	3,790,610	1,241,316
216,595	2,858	10,188,253	79,862	5,962,115	25,349	4,415,160	3,212,183
<u>\$ 5,324,958</u>	<u>\$ 27,067,636</u>	<u>\$ 19,400,537</u>	<u>\$ 672,897</u>	<u>\$ 20,561,423</u>	<u>\$ (4,197,221)</u>	<u>\$ 8,205,770</u>	<u>\$ 4,453,499</u>

KING COUNTY, WASHINGTON  
INTERNAL SERVICE FUNDS  
SCHEDULE OF ANNUAL BUDGETS AND EXPENDITURES AND OPERATING TRANSFERS AND ENCUMBRANCES  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (a)  
FOR THE YEAR ENDED DECEMBER 31, 2001

FUND	BUDGET			VARIANCE	ACTUAL		
	COUNCIL ADOPTED	ADJUSTMENTS & CARRYOVERS	FINAL		TOTAL	2001 YEAR-END ENCUMBRANCES	EXPENDITURES
Construction and Facilities Management	\$ 32,211,505	\$ 963,042	\$ 33,174,547	\$ 3,621,127	\$ 29,553,420	\$ -	\$ 29,553,420
Employee Benefits Program	111,229,538	249,180	111,478,718	6,045,176	105,433,542	-	105,433,542
Financial Management Services	26,502,443	242,909	26,745,352	3,289,481	23,455,871	342,453	23,113,417
Office of Information Resources Management	681,000	216,490	897,490	457,659	439,831	-	439,831
Information and Telecommunications Services							
Data Processing Services	25,395,337	680,658	26,075,995	3,242,046	22,833,949	14,050	22,819,899
Telecommunication Services	1,826,617	231,752	2,058,369	459,583	1,598,786	154,455	1,444,331
Total Information and Telecommunications Services	<u>27,221,954</u>	<u>912,410</u>	<u>28,134,364</u>	<u>3,701,629</u>	<u>24,432,735</u>	<u>168,505</u>	<u>24,264,230</u>
Insurance	20,066,590	271,812	20,338,402	460,386	19,878,016	57,677	19,820,339
Motor Pool Equipment Rental	10,687,051	208,616	10,895,667	3,159,259	7,736,408	100,694	7,635,714
Printing/Graphic Arts Services	3,014,884	33,097	3,047,981	86,503	2,961,478	-	2,961,478
Public Works Equipment Rental	7,760,407	1,098,081	8,858,488	977,640	7,880,848	842,563	7,038,285
Safety and Workers' Compensation	17,762,205	1,398,204	19,160,409	70,823	19,089,586	-	19,089,586
Transit NRV Equipment Rental	2,022,830	393,767	2,416,597	127,990	2,288,607	567,114	1,721,493
Wastewater Equipment Rental	<u>991,345</u>	<u>5,949</u>	<u>997,294</u>	<u>242,152</u>	<u>755,142</u>	<u>117,997</u>	<u>637,145</u>
TOTAL OF INTERNAL SERVICE FUNDS WITH ANNUAL BUDGETS	<u>\$ 260,151,752</u>	<u>\$ 5,993,557</u>	<u>\$ 266,145,309</u>	<u>\$ 22,239,826</u>	<u>\$ 243,905,483</u>	<u>\$ 2,197,003</u>	<u>\$ 241,708,480</u>

(a) The Schedule of Annual Budgets and Expenditures and Operating Transfers and Encumbrances - Budget and Actual is presented in order to disclose budgeted and actual expenditures classified the same as, and at the same level of detail as, the legally adopted budget.

INFORMATION AND TELECOMMUNICATIONS SERVICES FUND  
COMBINING BALANCE SHEET  
DECEMBER 31, 2001

	TOTAL INFORMATION & TELECOMMUNICATIONS SERVICES FUND	DATA PROCESSING SERVICES SUBFUND	TELECOMMUNICATION SERVICES SUBFUND
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 6,395,774	\$ 4,649,332	\$ 1,746,442
Accounts receivable	173,798	73,170	100,628
Estimated uncollectible accounts receivable	(13,466)	(3,512)	(9,954)
Due from other funds	737,145	380,538	356,607
Due from other governments	131,928	116,311	15,617
Estimated uncollectible due from other governments	(13,551)	(13,551)	
Prepayments	27,775	27,775	
Total current assets	<u>7,439,403</u>	<u>5,230,063</u>	<u>2,209,340</u>
Fixed assets			
Furniture, machinery and equipment	586,601	472,018	114,583
Accumulated depreciation	(416,747)	(336,480)	(80,267)
Data processing equipment	11,887,681	11,887,681	
Accumulated depreciation	(7,374,464)	(7,374,464)	
Telecommunication equipment	1,509,010		1,509,010
Accumulated depreciation	(1,139,910)		(1,139,910)
Work in progress	1,793,545	1,790,771	2,774
Total fixed assets	<u>6,845,716</u>	<u>6,439,526</u>	<u>406,190</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 14,285,119</u></u>	<u><u>\$ 11,669,589</u></u>	<u><u>\$ 2,615,530</u></u>
<b>LIABILITIES AND FUND EQUITY</b>			
Current liabilities			
Accounts payable	\$ 1,083,294	\$ 601,417	\$ 481,877
Due to other funds	104,722	103,694	1,028
Interest payable	131,750	125,375	6,375
Wages payable	545,382	528,739	16,643
Taxes payable	1,299	931	368
General obligation bonds payable	985,000	860,000	125,000
Capital leases payable	122,564	122,564	
Other liabilities	26,961	26,961	
Total current liabilities	<u>3,000,972</u>	<u>2,369,681</u>	<u>631,291</u>
Long-term liabilities			
General obligation bonds payable	4,170,000	4,040,000	130,000
Compensated absences payable	1,789,189	1,751,563	37,626
Total long-term liabilities	<u>5,959,189</u>	<u>5,791,563</u>	<u>167,626</u>
Total liabilities	<u>8,960,161</u>	<u>8,161,244</u>	<u>798,917</u>
Fund equity			
Contributions from governmental unit	216,595	204,127	12,468
Retained earnings			
Unreserved	<u>5,108,363</u>	<u>3,304,218</u>	<u>1,804,145</u>
Total fund equity	<u>5,324,958</u>	<u>3,508,345</u>	<u>1,816,613</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><u>\$ 14,285,119</u></u>	<u><u>\$ 11,669,589</u></u>	<u><u>\$ 2,615,530</u></u>

INFORMATION AND TELECOMMUNICATIONS SERVICES FUND  
COMBINING SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2001

	TOTAL INFORMATION & TELECOMMUNICATIONS SERVICES FUND	DATA PROCESSING SERVICES SUBFUND	TELECOMMUNICATION SERVICES SUBFUND
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from users	\$ 23,821,918	\$ 22,174,523	\$ 1,647,395
Cash payments to suppliers for goods and services	(10,308,895)	(8,764,219)	(1,544,676)
Cash payments for employee services	(11,502,546)	(11,070,952)	(431,594)
Other operating revenues	134,382	61,699	72,683
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>2,144,859</u>	<u>2,401,051</u>	<u>(256,192)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating transfer in	994,006	994,006	
Operating transfer out	(1,224,493)	(1,224,493)	
Interest paid on short-term loans	(71,532)	(71,532)	
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES:	<u>(302,019)</u>	<u>(302,019)</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of assets	(578,653)	(575,879)	(2,774)
Principal paid on general obligation bonds	(1,484,929)	(1,364,929)	(120,000)
Interest paid on general obligation bonds	(297,962)	(282,212)	(15,750)
Principal paid on equipment contracts	(440,867)	(440,867)	
Interest paid on equipment contracts	(78,235)	(78,235)	
Proceeds from sales of equipment	11,391	11,391	
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(2,869,255)</u>	<u>(2,730,731)</u>	<u>(138,524)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,026,415)	(631,699)	(394,716)
CASH AND CASH EQUIVALENTS - JANUARY 1, 2001	<u>7,422,189</u>	<u>5,281,031</u>	<u>2,141,158</u>
CASH AND CASH EQUIVALENTS - DECEMBER 31, 2001	<u>\$ 6,395,774</u>	<u>\$ 4,649,332</u>	<u>\$ 1,746,442</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	<u>\$ 2,422,927</u>	<u>\$ 1,915,804</u>	<u>\$ 507,123</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Depreciation	1,700,306	1,541,487	158,819
Changes in assets - (increase) decrease:			
Accounts receivable, net	55,156	21,551	33,605
Due from other funds	(339,386)	16,971	(356,357)
Due from other governments, net	(84,663)	(91,922)	7,259
Prepayments	84,228	84,228	
Changes in liabilities - increase (decrease):			
Accounts payable	(1,094,448)	(704,956)	(389,492)
Due to other funds	(651,024)	(436,987)	(214,037)
Wages payable	94,177	88,460	5,717
Taxes payable	263	264	(1)
Other liabilities	(85,977)	(85,977)	
Compensated absences	43,300	52,128	(8,828)
TOTAL ADJUSTMENTS	<u>(278,068)</u>	<u>485,247</u>	<u>(763,315)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 2,144,859</u>	<u>\$ 2,401,051</u>	<u>\$ (256,192)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Acquisition of capital assets by capital lease	\$ -	\$ -	\$ -

INFORMATION AND TELECOMMUNICATIONS SERVICES FUND  
 COMBINING SCHEDULE OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND EQUITY  
 FOR THE YEAR ENDED DECEMBER 31, 2001

	TOTAL INFORMATION & TELECOMMUNICATIONS SERVICES FUND	DATA PROCESSING SERVICES SUBFUND	TELECOMMUNICATION SERVICES SUBFUND
OPERATING REVENUES			
Systems services - intracounty	\$21,628,238	\$ 21,628,238	\$
Systems services - other	601,144	601,144	
Telecommunication services	1,890,239		1,890,239
Miscellaneous	<u>134,382</u>	<u>61,699</u>	<u>72,683</u>
TOTAL OPERATING REVENUES	<u>24,254,003</u>	<u>22,291,081</u>	<u>1,962,922</u>
OPERATING EXPENSES			
Personal services	11,640,023	11,211,540	428,483
Materials and supplies	1,678,545	1,656,371	22,174
Contract services and other charges	3,964,940	3,696,797	268,143
Lease and maintenance of equipment	1,164,034	986,667	177,367
Internal services	1,683,228	1,282,415	400,813
Depreciation	<u>1,700,306</u>	<u>1,541,487</u>	<u>158,819</u>
TOTAL OPERATING EXPENSES	<u>21,831,076</u>	<u>20,375,277</u>	<u>1,455,799</u>
OPERATING INCOME (LOSS)	<u>2,422,927</u>	<u>1,915,804</u>	<u>507,123</u>
NONOPERATING REVENUE			
Gain (loss) on disposal of fixed assets	<u>(593,720)</u>	<u>(593,720)</u>	
TOTAL NONOPERATING REVENUE	<u>(593,720)</u>	<u>(593,720)</u>	
NONOPERATING EXPENSES			
Interest	<u>433,161</u>	<u>420,411</u>	<u>12,750</u>
INCOME BEFORE OPERATING TRANSFERS	1,396,046	901,673	494,373
OPERATING TRANSFERS IN	994,006	994,006	
OPERATING TRANSFERS Out	<u>(1,224,493)</u>	<u>(1,224,493)</u>	
NET INCOME	1,165,559	671,186	494,373
FUND EQUITY			
Retained earnings - January 1, 2001	<u>3,942,804</u>	<u>2,633,032</u>	<u>1,309,772</u>
Retained earnings - December 31, 2001	<u>5,108,363</u>	<u>3,304,218</u>	<u>1,804,145</u>
Contributions - December 31, 2001	<u>216,595</u>	<u>204,127</u>	<u>12,468</u>
FUND EQUITY - DECEMBER 31, 2001	<u>\$ 5,324,958</u>	<u>\$ 3,508,345</u>	<u>\$ 1,816,613</u>

This page intentionally left blank